

#### ▪ Exchange Rates:

Currency 19 <sup>th</sup> Jun. 17 –19 <sup>h</sup> Sept.17	3 Month Low	3 Month High	3 Month Average	Actual Trading Price: 19 <sup>th</sup> Sept .2017
Euro-to-US Dollar (€1)	USD 11147	USD 1.2060	USD 1.1649	USD 1.984
Euro-to-Rupee (€1)	INR 71.90	INR 77.13	INR 74.81	INR 77.07
Euro-to-Yuan (€1)	CNY 7.6091	CNY 7.9757	CNY 7.8056	CNY 7.8923
Euro-to-GBP (€1)	GBP 0.8751	GBP 0.9296	GBP 0.8976	GBP 0,8883
Euro-to-AUD (€1)	AUD 1.4510	AUD 1.5111	AUD 1.4853	AUD 1.4999
Euro-to-BRL (€1)	BRL 3.6166	BRL 38106	BRL 37127	BRL 3.7594
Euro-to-ZAR (€1)	ZAR 14.4089	ZAR 15.9741	ZAR 15.2939	ZAR 15.9520

(Source: European Central Bank: <http://www.ecb.int>)

#### ▪ Interest Rates

Country	Current Rate	Previous Rate	Last Change
Australia	1.50%	1.75%	08/2016
Brazil	8.25%	9.25%	09/2017
China	4.35%	4.60%	10/2015
European Monetary Union	0.00%	0.05%	03/2016
India	6.00%	6.25%	08/2017
South Africa	6.75%	7.00%	07/2017
United Kingdom	0.25%	0.50%	08/2016
United States	1.25%	1.00%	06/2017

(Source: <http://de.global-rates.com/zinssatze/zentralbanken/zentralbanken.aspx>)

- Oil Prices

## ICE Brent Crude (Nov'17) (@LCO.1:Intercontinental Exchange Europe)



\*Data is delayed | USD

Last | 9:40:00 AM BST

Volume

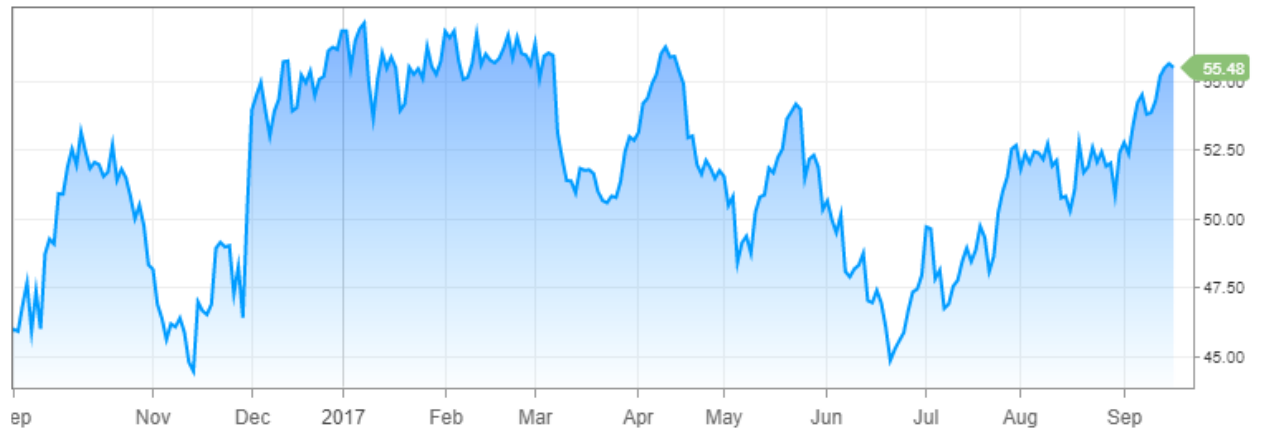
**55.54** **+0.06 (+0.1081%)**

**30,296**

1D 5D 1M 3M 6M YTD **1Y** 5Y ALL

+ Comparison

1D Display Studies + ↗



Crude Oil	2 Year	1 Year	3 Month	1 Month	Trading Price Sept. 19th.
	USD 46.85	USD 48.84	USD 48.64	USD 51.88	USD 55.54

(Source: CNBC Market Data, <https://www.cnbc.com/quotes/?symbol=%40LCO.1> Sept..19th 2017)

- Gross Domestic Product (% year)

Country	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017 Forecast	2018 Forecast	2020 Forecast
Australia	3,00%	3,10%	3,10%	3,10%	1,90%	1,70%	1,80%	2,50%	2,90%
Brazil	-5,90%	-5,40%	-3,60%	-3,60%	-2,90%	-0,40%	0,30%	0,80%	1,90%
China	6,80%	6,70%	6,70%	6,70%	6,80%	6,90%	6,90%	6,40%	5,80%
Euro Area	1,60%	1,70%	1,60%	1,70%	1,90%	2,10%	2,30%	1,90%	2,00%
France	1,30%	1,40%	1,10%	1,30%	1,20%	1,10%	1,70%	1,70%	2,20%
Germany	2,10%	1,50%	3,10%	3,10%	1,50%	2,00%	2,10%	1,90%	2,30%
India	7,30%	7,90%	7,30%	7,10%	7,40%	7,00%	6,10%	6,70%	5,70%
South Africa	0,60%	-0,01%	-0,10%	0,70%	0,70%	1,00%	1,10%	0,80%	2,60%
South Korea	3,10%	2,80%	3,30%	3,30%	2,40%	2,90%	2,70%	2,60%	3,00%
United Arab Emirates	4,60%	4,60%	4,00%	4,00%	4,00%	3,40%	3,00%	3,10%	3,00%
United Kingdom	2,10%	2,00%	2,10%	2,00%	1,90%	2,00%	1,70%	1,60%	1,90%
United States	2,00%	1,60%	1,30%	1,30%	1,70%	2,00%	2,20%	2,30%	2,60%

(Sources: HSBC Global Research – Key Economic Forecast  
<http://www.tradingeconomics.com/country-list/gdp-annual-growth-rate>)

■ JP Morgan Global Manufacturing Purchasing Managers Index (PMI) - Aug. 2017

	June	July	Aug.	Summary, Rate of Change
<b>Global PMI</b>	52.6	52.7	53.1	Expanding, faster rate
<b>Output</b>	53.2	53.1	53.6	Expanding, faster rate
<b>New Orders</b>	53.5	53.7	54.2	Expanding, faster rate
<b>Australia</b>	55.0	56.0	59.8	Expanding, faster rate
<b>Brazil</b>	50.5	50.0	50.9	Expanding, faster rate
<b>China</b>	50.4	51.1	51.6	Expanding, faster rate
<b>Euro Area</b>	57.4	56.6	57.4	Expanding, faster rate
<b>France</b>	54.8	54.9	55.8	Expanding, faster rate
<b>Germany</b>	59.6	58.1	59.3	Expanding, faster rate
<b>India</b>	50.9	47.9	51.2	Expanding, change of direction
<b>United Kingdom</b>	54.2	55.3	56.9	Expanding, faster rate

(Source: <https://www.markiteconomics.com/Survey/PressRelease.mvc/5f1ec485989d4169956c18e1129c0f27>)

**Global Manufacturing PMI at 75-month high in August**

August saw a further acceleration in the rate of expansion of the global manufacturing sector. The J.P.Morgan Global Manufacturing PMI™ – a composite index<sup>1</sup> produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – rose to a 75-month high of 53.1, up from 52.7 in July, and has now remained above the neutral 50.0 mark throughout the past one-and-a-half years.

Full Document available: <https://www.markiteconomics.com/Survey/PressRelease.mvc/84b55b542e8d42d5af2da4938e6f27f9>

**JPMorgan Global Manufacturing PMI™**-a composite index\* produced by JPMorgan and Markit in association with ISM and IFPSM – posted 48.9, up slightly from August’s 38-month low of 48.1, but below the neutral 50.0 mark for the fourth month running.

The key figure for PMI is 50. A reading of 50 or higher generally indicates that the industry is expanding. If manufacturing is expanding, the general economy should be doing likewise. As such, it is considered a good indicator of future GDP levels. Many economists will adjust their GDP estimates after reading the PMI report. Another useful figure to remember is 42. An index level higher than 42%, over time, is considered the benchmark for economic (GDP) expansion. The different levels between 42 and 50 speak to the strength of that.

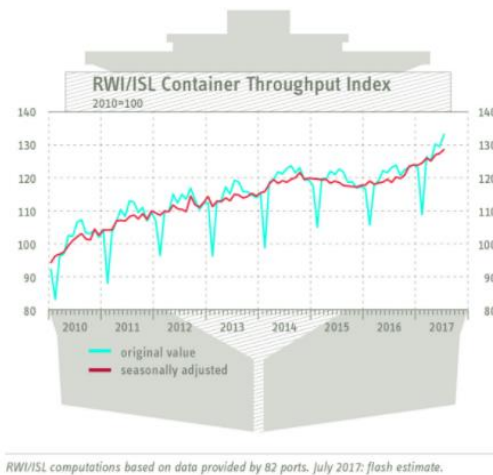
■ **Market Inflation Rate**

Country	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017 Forecast	2018 Forecast	2020 Forecast
<b>Australia</b>	1,70%	1,30%	1,30%	1,30%	1,50%	2,10%	1,90%	2,10%	2,20%
<b>Brazil</b>	9,28%	8,84%	8,97%	5,35%	4,76%	2,71%	2,46%	3,90%	5,00%
<b>China</b>	2,30%	1,80%	1,80%	2,50%	0,90%	1,50%	1,40%	2,40%	3,70%
<b>Euro Area</b>	-0,20%	0,20%	0,20%	1,80%	2,00%	1,30%	1,50%	1,90%	2,10%
<b>France</b>	-0,20%	0,20%	0,20%	1,30%	1,10%	0,70%	0,90%	1,60%	2,30%
<b>Germany</b>	-0,10%	0,40%	0,40%	1,90%	1,60%	1,70%	1,80%	1,80%	2,40%
<b>India</b>	4,83%	5,77%	6,07%	3,41%	3,65%	1,54%	2,36%	3,80%	4,80%
<b>South Africa</b>	6,30%	6,03%	6,00%	6,80%	6,30%	5,10%	4,60%	5,00%	5,10%
<b>South Korea</b>	1,00%	0,70%	0,40%	2,00%	2,20%	2,20%	2,60%	2,30%	2,80%
<b>United Arab Emirates</b>	1,43%	1,76%	1,76%	1,20%	2,70%	1,90%	2,00%	3,10%	2,50%
<b>United Kingdom</b>	0,50%	0,50%	0,60%	1,60%	2,30%	2,60%	2,60%	2,70%	2,20%
<b>United States</b>	0,90%	1,00%	0,80%	2,10%	2,70%	1,60%	1,70%	2,30%	2,50%

(Source: <https://tradingeconomics.com/country-list/inflation-rate>)

## RWI/ISL Container Throughput Index reaches new heights

The Container Throughput Index of the RWI – Leibniz Institute for Economic Research and the ISL – Institute of Shipping Economics and Logistics rose in July 2017 from 127.4 (revised figure) to 128.6 and reached a new all-time high. At the same time there were upward revisions – for the May value slightly and for the June value significantly. All of these figures indicate a rather strong expansion of the world trade.



The index is based on data continuously collected from world container ports by ISL as part of its market monitoring. Because large parts of international merchandise trade are transported by ship, the development of port handling is a good indicator for world trade. As many ports release information about their activities only two weeks after the end of the respective month, the RWI/ISL Container Throughput Index is a reliable early indicator for the development of international merchandise trade and hence for the activity of the global economy. Together, the 82 ports covered in the index account for about six out of ten containers handled worldwide. The flash-estimate for July is based on data reported by 41 ports, accounting for close to 73% of the total index volume.

### Background Information: Construction of the RWI/ISL-Container Throughput Index

The Container Throughput Index is a joint project of RWI with the Institute of Shipping Economics and Logistics (ISL). It aims at providing timely information on short term trends in international trade. The index is based on the consideration that containers have become the most important means of transporting processed products. Therefore, the global container throughput and international trade can be expected to be highly correlated.

As a part of their monthly reporting many ports publish data on container throughput expressed in twenty foot equivalent units (TEU). ISL collects these data systematically in its port database. Currently, the data base covers 75 ports providing time series of monthly figures which are long enough to be integrated into the indicator. In these ports about 60% of world container throughput is handled.

Calculating the indicator starts about 20 days after the end of each month. At that time about 25 ports have already publish information about the container throughput in the latest months, which allow a flash estimate of the indicator. Data still missing are forecasted using statistical time series models. Thereafter, the data are added up and the sum is adjusted for seasonal and calendar effects. Furthermore, the trend-cycle component of the seasonally adjusted figures is estimated to eliminate irregular influences. One month later, as a rule data on 65 ports are available. Then an update of the figures already published is made and a new flash estimate for the latest month is released.

The RWI/ISL-Container Throughput Index shows a close correlation with world trade. The index provides valuable input into business cycles analyses, since it is available 3 to 4 months in advance of data on world trade published by international organizations, and one month in advance of the first estimates of world trade volumes.

**Source:** <http://en.rwi-essen.de/presse/mitteilung/290/>

# Air Freight Indicators:

## ■ Airfreight Market Analysis

Freight growth remained robust in July, but nearing cyclical peak

- Global freight tonne kilometres (FTKs) posted double-digit annual growth for the 4<sup>th</sup> time in 5mths in July (11.4%)
- The robust growth in freight volumes since early-2016 has been consistent with the typical pattern seen during upturns in the economic cycle. However, indicators suggest that the upturn in FTK growth may be nearing a peak.
- African airlines posted the fastest int'l FTK growth rate in July, alongside robust growth for the major regions.
- FTKs grew by more than three times the pace of capacity in July, which resulted in the load factor rising sharply.

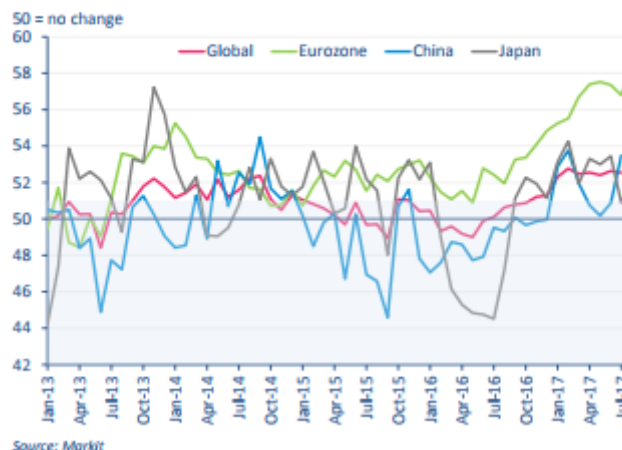
### Another month of double-digit FTK growth...

Industry-wide FTKs grew by 11.4% year-on-year in July, up slightly from 11.2% in June, and well ahead of the five and ten-year average rates (4.2% and 3.1%, respectively). Annual FTK growth has now been in double-digit territory for four of the past five months.

### ...echoed in buoyant manufacturer export orders

The resurgence in air freight demand over the past year or so has been set against a stronger global economic and trade backdrop. The turnaround in trade conditions has been most visible in rising trends in the new export orders components of manufacturing purchasing managers' indices (PMIs) in the world's major exporters since early 2016. (See Chart 1.) Meanwhile, data from the Netherlands CPB show that global trade volumes grew by 4.1% in H1 2017 compared to the same period in 2016. This was the strongest first half of a year for world trade since 2011.

**Chart 1 – Selected new export orders components of manufacturing PMI indices**



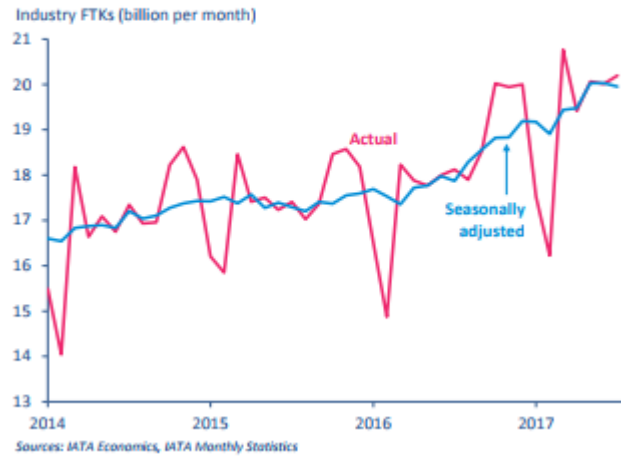
More generally, the recent outperformance of air freight relative to wider world trade has also reflected factors specific to the air transport industry, particularly the ability of air freight to allow firms to restock quickly at the start of upturns in the economic cycle. As we have noted before, the increase in the SA trend in industrywide FTKs coincided with a sharp decline in the (US) inventory-to-sales ratio during 2016.

### More mixed signs are emerging, however

The strong finish to 2016 and start to 2017 for freight volumes looks set to underpin robust year-on-year growth in FTKs for this year as a whole. In fact, we judge that the risks to our current forecast of 7.5% growth in FTKs for 2017 still lay to the upside.

That said, we are starting to see some more mixed signs, which suggest that the upturn in FTK growth maybe be nearing a peak. Indeed, having risen strongly in month-on-month terms in May, SA FTKs were flat in June, and fell in July for just the second time in twelve months. (See Chart 2.)

**Chart 2 – FTK levels**



**Air freight market overview - July 2017**

	World share <sup>1</sup>	July 2017 (% year-on-year)				% year-to-date			
		FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>	FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>11.4%</b>	<b>3.7%</b>	<b>3.0%</b>	<b>43.7%</b>	<b>10.6%</b>	<b>3.6%</b>	<b>2.8%</b>	<b>44.6%</b>
International	86.7%	12.9%	4.3%	3.6%	47.8%	11.8%	3.8%	3.5%	48.8%

<sup>1</sup>% of industry FTKs in 2016    <sup>2</sup>Year-on-year change in load factor    <sup>3</sup>Load factor level

Moreover, the air freight demand indicators that we monitor closely are becoming less supportive for freight growth, particularly business confidence. To be clear, the new export orders component of the global PMI remains close to a six-year high and, crucially, is still well above the notional 50-mark that indicates growing export order books. (Again, see Chart 1.) However, the indicator has broadly tracked sideways so far this year. Given the strong relationship between year-on-year changes in the indicator and industry-wide FTK growth, recent developments are consistent with a moderation in year-on-year air freight growth towards the end of the year. (See Chart 3.)

**Chart 3 – Air freight growth vs. global new export orders**



Moreover, although the inventory-to-sales ratio in the US remains lower than it was a year ago, it has now stopped falling. This too is consistent with the current period of strong year-on-year FTK growth starting to moderate over the second half of 2017 and into 2018.

**Capacity growth lagged far behind demand in July**

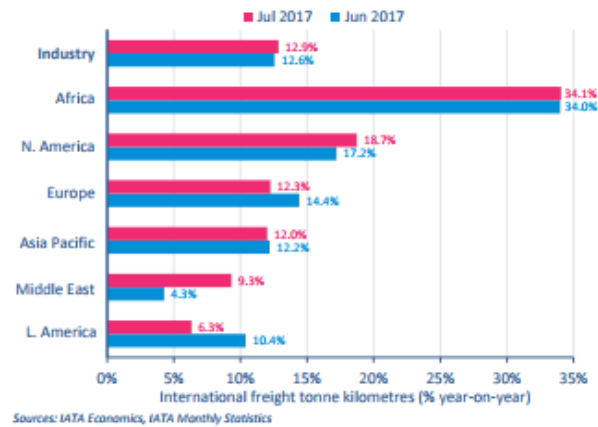
Available freight tonne kilometres (AFTKs) rose by 3.7% year-on-year in July – less than one-third of the corresponding pace of FTK growth. The July load factor came in at 43.7% – three percentage points higher than where it stood in July 2016.

Having outstripped that of capacity during much of H1 2017, the SA trend in FTKs has lagged behind AFTKs in recent months. As a result, the industry-wide load factor has fallen slightly in SA terms since May. Nonetheless, the SA load factor remains close to a two-and-a-half year high, nearly four percentage points above its low-point in early-2016.

### Robust internat'l FTK growth in the major regions

International FTKs grew by 12.9% year-on-year in July, up slightly from 12.6% in June. (See Chart 4.)

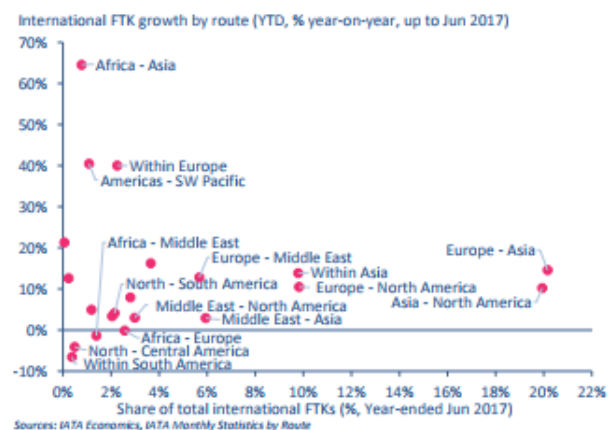
**Chart 4 – International FTK growth by airline region of registration**



### Another stellar month for African airlines

International FTKs flown by African airlines surged by 34.1% year-on-year in July – broadly unchanged from June’s pace and the second fastest monthly rate in seven years. FTKs fell slightly in SA terms in July. However, given the jump in traffic over the past year or so, even if volumes simply remain unchanged in SA terms over the final five months of 2017, the annual growth rate would be expected to remain in double-digit territory for the rest of the year. The wider pick-up in African airlines’ freight volumes has been helped by a surge in traffic between Africa and Asia; although still a small market, FTKs flown on the route jumped by nearly 80% year-on-year in June and 65% in the first half of the year (the latest data available, see Chart 5, overleaf.)

**Chart 5 – International FTK growth by route (% year-to-date, segment basis)**



### Another month of double-digit growth for European airlines

International FTKs flown by European airlines increased by 12.3% year-on-year in July. Annual FTK growth in the region has now been in double-digit territory for nine of the past 11 months. The region’s airlines are benefiting from robust demand on the biggest market segments to and from the region (Asia and North America). Meanwhile, the very strong growth in international FTKs flown within the region (40% year-on-year in H1) relates in large part to gains made by carriers such as Turkish Airlines. (Again, see Chart 5, overleaf.)

The strong upward trend in SA FTKs during the second half of 2016 coincided with a period of buoyant order books for European manufacturers, helped in part by the weakness of the euro. Manufacturers in the region are still reporting growing export order books, but the recent appreciation of the euro since the start of the year may begin to be a headwind for the region's exporters.

### Ongoing strength for North American...

International FTKs flown by North American airlines jumped by 18.7% year-on-year in July – nearly five times the five-year average pace. The upward SA trend remains very strong.

The strength of the US dollar over recent years has helped to support inbound air freight volumes to the US: data from the US Census Bureau shows that import volumes coming into the US by air rose by 12.5% year-on-year in H1 2017, compared to a slower 5.4% increase in exports. While the US dollar remains strong by historical standards, its decline since the start of the year is likely to help rebalance trade flows by boosting exports and deterring imports.

### ...and Asia Pacific carriers

Meanwhile, international freight volumes flown by airlines based in Asia Pacific – the biggest region in terms of international FTKs flown – also rose at a robust annual pace in July (12.0%). Volumes fell slightly in SA terms compared to June, but remained more than 3% higher than the level they reached in the rebound following the global financial crisis. Demand growth has been robust on all the major routes to, from and within the region. (Again, see Chart 5.)

Business surveys continue to indicate widespread variation in the strength of manufacturers' export order books in the region. Conditions are strongest in Taiwan (where the indicator remains close to a seven-year high), but continues to be consistent with falling export orders in Korea. Encouragingly, after a few mixed readings, the latest data showed improving conditions in the major exporters of China and Japan.

### Solid, but unspectacular, Middle East traffic trend

International FTKs flown by Middle Eastern airlines grew by 9.3% year-on-year in July 2017, slightly slower than the five-year average pace (10.8%) but faster than the pace of growth seen over the first seven months of 2017 combined (8.0%).

International freight volumes flown by Middle Eastern carriers have continued to trend upwards in SA terms at a solid rate of around 10% in annualized terms since early-2017. However, amid ongoing strong competition from other regions' carriers, particularly on the Asia Europe route, Middle Eastern carriers have not seen the strong pick-up in the SA traffic trend that has been apparent in the major regions over the past year or so.

### Ongoing volatility in Latin American FTK volumes

International FTKs flown by Latin American airlines increased by 6.3% year-on-year in July. Freight volumes have been volatile in SA terms over the past year, partly reflecting the ongoing challenging economic and political operating environment in parts of the region – notably Brazil. Despite rising strongly in SA terms since March, international FTKs flown by the region's airlines are only just back to where they stood in October 2016, and are still around 9% lower than their 2014 peak. The region was the One not to see a sizeable increases in the international freight load factor in July compared to July 2016 ( See Chart 6 )

Chart 6 – Freight load factors by region





## Air freight market detail - July 2017

	World share <sup>1</sup>	July 2017 (% year-on-year)				% year-to-date			
		FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>	FTK	AFTK	FLF (%-pt) <sup>2</sup>	FLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>11.4%</b>	<b>3.7%</b>	<b>3.0%</b>	<b>43.7%</b>	<b>10.6%</b>	<b>3.6%</b>	<b>2.8%</b>	<b>44.6%</b>
Africa	1.6%	33.7%	4.5%	4.9%	22.5%	27.2%	10.1%	3.3%	24.7%
Asia Pacific	37.4%	11.0%	6.3%	2.3%	55.0%	10.3%	5.0%	2.6%	53.9%
Europe	23.5%	12.1%	5.5%	2.6%	44.2%	13.3%	5.4%	3.3%	46.6%
Latin America	2.8%	5.8%	4.7%	0.3%	30.6%	1.1%	0.3%	0.3%	32.0%
Middle East	13.9%	9.3%	-0.4%	3.9%	43.6%	7.9%	1.2%	2.8%	44.6%
North America	20.7%	11.9%	1.1%	3.4%	34.9%	9.7%	1.3%	2.7%	36.1%
<b>International</b>	<b>86.7%</b>	<b>12.9%</b>	<b>4.3%</b>	<b>3.6%</b>	<b>47.8%</b>	<b>11.8%</b>	<b>3.8%</b>	<b>3.5%</b>	<b>48.8%</b>
Africa	1.6%	34.1%	4.5%	5.1%	22.9%	28.1%	10.5%	3.5%	25.3%
Asia Pacific	33.3%	12.0%	6.1%	3.2%	60.4%	11.3%	4.5%	3.6%	59.2%
Europe	23.0%	12.3%	5.0%	3.0%	46.1%	13.4%	4.9%	3.6%	48.2%
Latin America	2.4%	6.3%	5.6%	0.2%	35.0%	0.5%	-1.6%	0.8%	37.3%
Middle East	13.9%	9.3%	0.9%	3.4%	43.6%	8.0%	2.3%	2.3%	44.7%
North America	12.6%	18.7%	3.2%	5.4%	40.9%	14.4%	2.2%	4.5%	42.4%

<sup>1</sup>% of industry FTKs in 2016      <sup>2</sup>Year-on-year change in load factor      <sup>3</sup>Load factor level

**Note:** the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

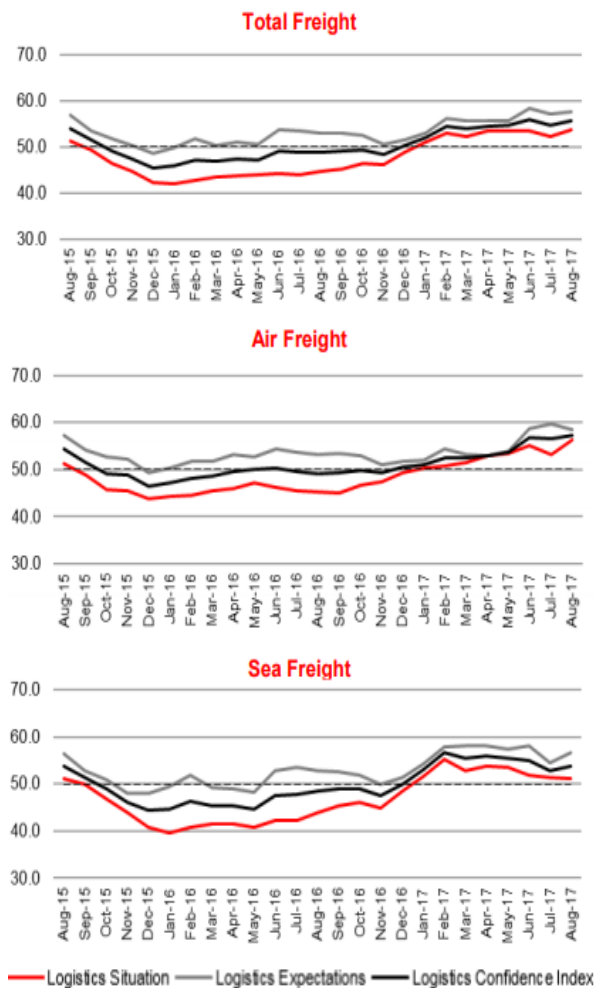
**Source: IATA-Air Transport Market Analysis July 2017 published on:**  
<http://www.iata.org/whatwedo/Documents/economics/freight-analysis-jul-2017.pdf>

The Logistics Confidence Index has risen by 0.9 points month-on-month, and with scores of around 55 points since February, appears to have reached a stage of normality following a long preceding period of poor performance.

The Air Freight Index continues to climb on the back of Present Situation performance, illustrating the renewed strength of the air cargo industry. However overall growth of air freight was restricted due to poorer Expectations Index readings for volumes in six months' time.

Within Sea Freight, the Index saw similar growth rates, albeit derived from the Logistics Expectations Index, rather than the Present Situation.

Looking ahead, there remain reasons to be optimistic, particularly given the uptick in global economic growth. Chinese manufacturing rose in August, as per the Caixin-IHS Markit manufacturing Purchasing Managers Index, which suggests a positive knock-on impact on export volumes.



August 2017			
	Present Situation	Expected Situation	Logistics Confidence
Air Freight	56.3	58.4	57.4
Sea Freight	51.0	56.6	53.8
Total Freight	53.7	57.5	55.6

Source: TI

Note: The Present Situation Index illustrates current market volume conditions faced by forwarders, while the Expected Situation Index measures how the situation is expected to develop over the next six months. The Logistics Confidence Index, an average of both the Present and Expected indices, expresses overall confidence in the market.

### Air Freight Confidence Index

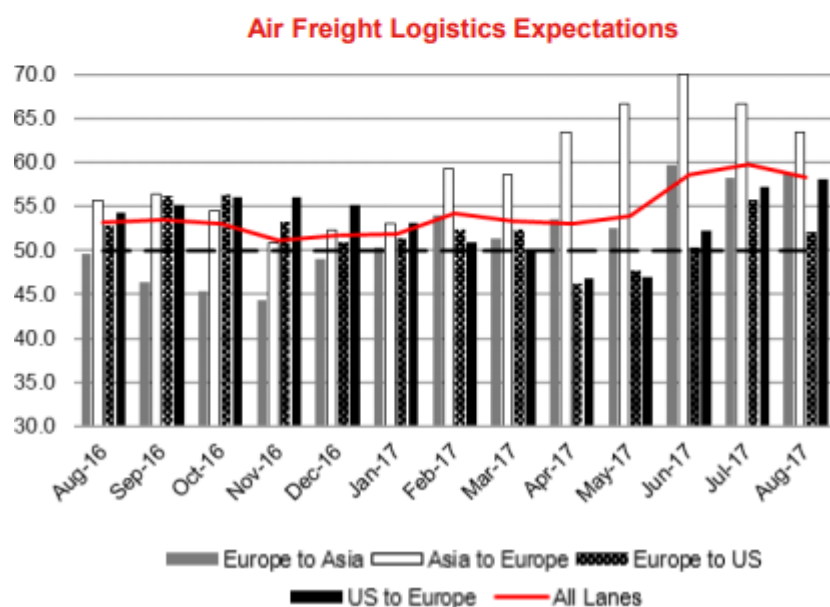
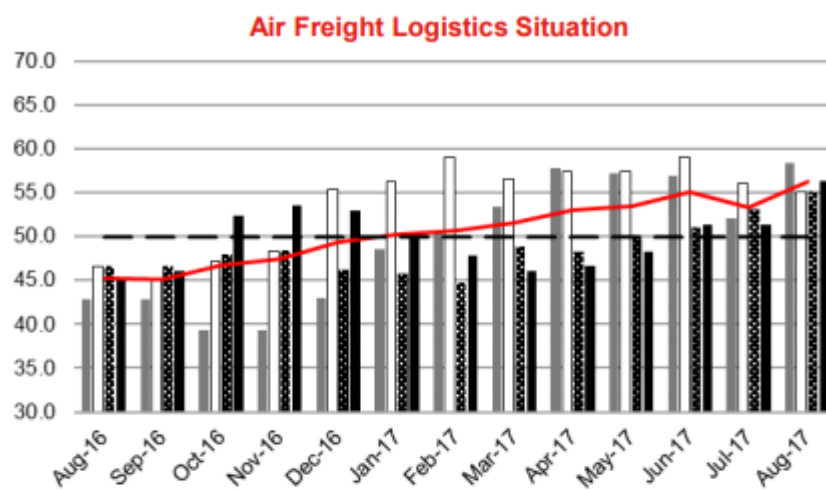
The Air Freight Index registered a month-on-month rise of 0.8 points to 57.4 for August 2017. This score reflected a year-on-year improvement of 8.2 points, and a 24-month gain of 3.1 points. During August, IATA reported that the air freight industry has witnessed the largest half-year increase in growth since 2010, off the back of stronger global economic performance. Asia, Europe and North America all witnessed double-digit growth in FTKs over the previous year, and whilst the organisation predicts that volumes relating to restocking have peaked, sustained growth nonetheless appears likely.

The Air Freight Logistics Situation Index noted a month-on-month improvement of 3.0 points to 56.3. Whilst the Asia to Europe lane declined by 1.0 to 55.1, this was more than offset by the performance of the three other lanes. Growth was primarily led by the Europe to Asia lane, which rose by 6.3 points to 58.4, whilst the US to Europe lane also grew by a substantial 5.0 points, to 56.3. In addition, Europe to US grew 2.1 points to 55.2.

Air Freight Expectations were far less sanguine, with confidence falling 1.3 points overall, to 58.4. Half of the lanes recorded slight improvements, whilst the other half displayed moderate declines. Europe to US fell furthest, with a contraction of 3.6 points to 52.1, whilst Asia to Europe fell by a similar percentage, down 3.2 points to 63.4. Meanwhile, Europe to Asia gained 0.5 points to 58.9, and US to Europe was up 0.8 to 58.1.

Air Freight - August 2017		
	Present Situation	Expected Situation
Europe to Asia	58.4	58.9
Asia to Europe	55.1	63.4
Europe to US	55.2	52.1
US to Europe	56.3	58.1
<b>Total Air Index</b>	<b>56.3</b>	<b>58.4</b>

*Source: TI*



## Sea Freight Confidence Index

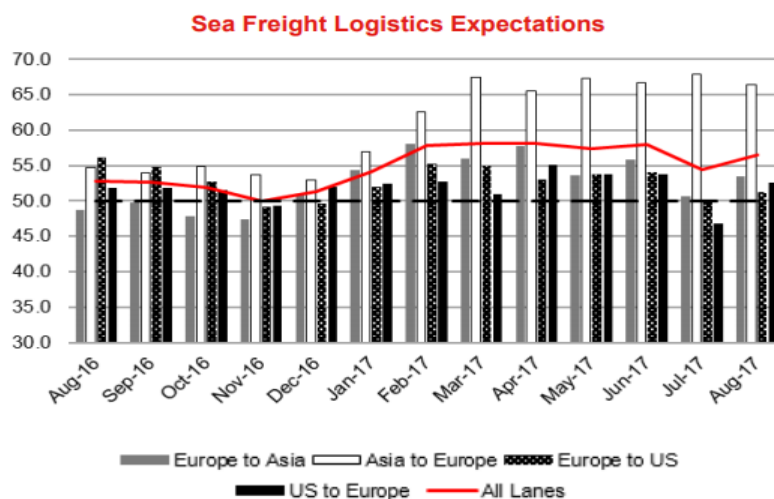
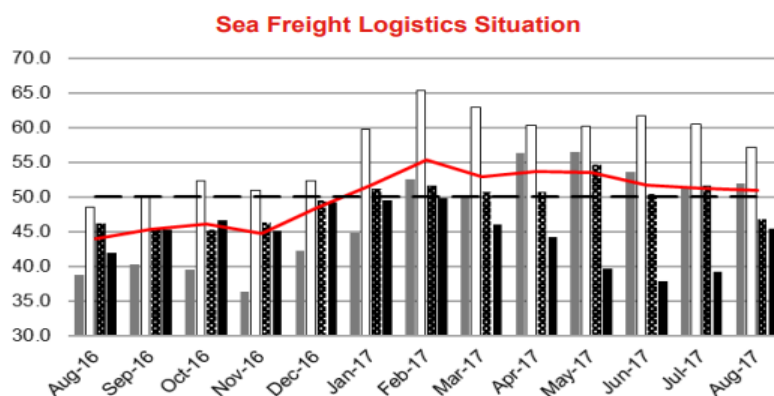
The Sea Freight Logistics Confidence Index recorded an overall score of 53.8, having risen by 0.9 points against the previous month's score. The result was 5.4 points greater than the score registered in August 2016, and level with that recorded in June 2015.

Standing at 51.0, the Sea Freight Logistics Situation Index declined by 0.3 points against the previous month. This result occurred following declines in half of the four individual lanes, despite a strong improvement in the US to Europe lane, which increased 6.3 points to 45.5 points. This result was offset by the combined declines of Europe to US, which fell 4.9 points to 46.8, and Asia to Europe, which contracted by 3.2 points to 57.3. The remaining lane, Europe to Asia, noted a slight improvement of 0.7 points to 51.9.

The Sea Freight Logistics Expectations Index totaled 56.6 points, having risen by 2.2 against the July result. This outcome was derived from gains in three of the four lanes, led by US to Europe, which rose by 5.7 points to 52.5. Furthermore, Europe to Asia increased by 2.9 points to 53.5, whilst Europe to US gained 1.3 points to 51.2. The only lane to note a decline was Asia to Europe, which fell 1.4 points to 66.5.

Sea Freight - August 2017		
	Present Situation	Expected Situation
Europe to Asia	51.9	53.5
Asia to Europe	57.3	66.5
Europe to US	46.8	51.2
US to Europe	45.5	52.5
<b>Total Sea Index</b>	<b>51.0</b>	<b>56.6</b>

*Source: Ti*



## Ti Logistics Confidence Index Methodology

The Logistics Confidence Index is calculated based on responses from a monthly survey, completed by a number of logistics professionals. The survey questions participants as to volumes that they are currently experiencing, relative to the time of year, as well as how they expect volumes to develop over the next six months. The total Index covers four European based trade lanes, including:

- Europe to Asia
- Asia to Europe
- Europe to U.S.
- U.S. to Europe

These trade lanes form four sub-indices, from which an overall index for both the air freight industry and sea freight industry is calculated. An index value of 50 indicates no change in the volumes of partaking logistics companies; above 50 indicates higher volumes, while below 50 indicates lower volumes

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**Source:** <http://www.ti-insight.com/wp-content/uploads/2017/09/Ti-Logistics-Confidence-Index-August-2017.pdf>

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